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[No. 31947-FIN-WF2-MISC-0008-2012/F.]

## FINANCE DEPARTMENT

### RESOLUTION

The 15th October, 2013

**Sub: One-time Settlement of arrear Electricity Dues of Government Departments till 31st March, 2012, clearance of arrear Electricity Dues of Odisha Lift Irrigation Corporation for the period from April, 1999 to December, 2002 and financial support to mitigate the impact of reduction in Retail Supply Tariff for the year, 2011-12.**

Settlement of arrear Electricity dues of Odisha Lift Irrigation Corporation for the period from April, 1999 to December, 2002 as well as arrear Electricity dues of Government Offices till 31st March, 2012 and financial support required to mitigate the impact of reduction in Retail Supply Tariff for the year, 2011-12 were under the consideration of Government for some time past. Accordingly it has been decided to settle these claims in a cashless manner.

2. The aforesaid claims of GRIDCO and the private Distribution Companies (DISCOMs) is to be adjusted against their payables to the State Government on various accounts like servicing of loans and advances & payment of guarantee fees etc. It is decided that GRIDCO and the DISCOMs would levy delayed payment surcharge at the weighted average cost of their borrowings from the State Government i.e. @ 12.52%.

**3. Arrear Electricity dues of OLIC :** (i) The unpaid Electricity dues of OLIC for the period from April, 1999 to December, 2002 including delayed payment surcharge works out to **₹ 156.72 Crores**. The amount payable to GRIDCO & the DISCOMs is indicated below:

(a) GRIDCO	₹ 119.91 Crores
(b) CESCO	₹ 11.72 Crores
(c) NESCO	₹ 13.60 Crores
(d) WESCO	₹ 4.80 Crores
(e) SOUTHCO	₹ 6.69 Crores

(ii) In case of adjustment of arrear dues of OLIC payable to GRIDCO, the State Government will provide notional subsidy to OLIC under Non-Plan Budget of Water Resources Department in the Supplementary Statement of Expenditure, 2013-14 for discharge of their arrear electricity dues. Instead of cash payment of the subsidy, it would be adjusted against the payables of GRIDCO to the State Government as indicated in the table below:

Items	Amount (₹ in Cr.)
Notional subsidy to be provided to OLIC	119.91
To be adjusted against the payables of GRIDCO to the State Government ( <i>Interest on CPA Advance converted to loan</i> )	119.91

(iii) In case of the arrear electricity dues of OLIC payable to the DISCOMs, the State Government will provide notional subsidy to OLIC under Non-Plan Budget of Water Resources Department in the Supplementary Statement of Expenditure, 2013-14 for discharge of these dues. Instead of cash payment, the subsidy will be adjusted against the payables of DISCOMs to GRIDCO, i.e. the State Government will adjust the subsidy payable to OLIC against the dues of GRIDCO to the State Government and GRIDCO in turn will provide credit against their receivables from the respective DISCOMs and the DISCOMs will clear the outstanding dues of the OLIC. The details are indicated below:

Items	Amount (₹ in Cr.)
Notional subsidy to be provided to OLIC	36.81
To be adjusted against the payables of GRIDCO to the State Government ( <i>Interest on CPA Advance converted to loan</i> )	36.81
Credit to be given by GRIDCO to DISCOMs against their receivables—	36.81
(a) CESU	11.72
(b) NESCO	13.60
(c) WESCO	4.80
(d) SOUTHCO	6.69

**4. Arrear Electricity dues of State Government :** (i) The unpaid Electricity dues of Government Departments up to 31st March, 2012 is **₹ 496.25 Crores**. The amount payable to GRIDCO & the DISCOMs is indicated below:

- (a) GRIDCO : ₹ 323.80 Crores
- (b) CESCO : ₹ 50.59 Crores
- (c) NESCO : ₹ 43.39 Crores
- (d) WESCO : ₹ 33.93 Crores
- (e) SOUTHCOP : ₹ 44.54 Crores

(ii) In case of the arrear electricity dues of the Government Offices to GRIDCO & DISCOMs, the payment will be made from the provision made in the Supplementary Statement of Expenditure, 2013-14 of Finance Department for the following receivables of the State Government from GRIDCO & the DISCOMs.

<b>Items</b>	<b>Amount ₹ in Cr.)</b>
Provision to be made in Budget of Finance Department	496.25
To be adjusted against the fully receivables of the State Government from GRIDCO & the DISCOMs	496.25
(a) GRIDCO	323.80
(i) Interest on CPA Advance converted to loan	52.08
(ii) Principal of CPA Advance converted to loan	162.77
(iii) Outstanding Guarantee fees upto <i>31st March, 2012</i>	35.34
(iv) Interest on ₹ 1102.87 crore power bond	73.61
(b) CESU (Interest on World Bank loan)	50.59
(c) NESCO (Interest on World Bank loan)	43.39
(d) WESCO (Interest on World Bank loan)	33.93
(e) SOUTHCOP (Interest on World Bank loan)	44.54

5. The equity support of ₹143.73 crores to be given to GRIDCO for reduced RST Bill in 2011-12 shall be provided to GRIDCO as Share Capital/ Equity investment without cash outgo. The State Government will make necessary provision under Non-Plan Budget of Energy Department in the Supplementary Statement of Expenditure, 2013-14 for the purpose and the same will be adjusted against the following receivable of the State Government from GRIDCO as detailed below:

Items	Amount (₹ in Cr.)
Share Capital/ Equity investment of the State Government with GRIDCO	143.73
To be adjusted against the payables of GRIDCO to the State Government	143.73
(i) <i>Interest on ₹1102.87 crores power bond</i>	143.52
(ii) <i>Principal of ₹1102.87 crores power bond</i>	0.21

**ORDER**

Ordered that the Resolution be published in the Extraordinary issue of the *Odisha Gazette*.

By order of the Governor

**U.N. BEHERA**

Additional Chief Secretary to Government